

105TH CONGRESS  
1ST SESSION

# H. R. 1026

To amend the Internal Revenue Code of 1986 to allow a capital loss deduction with respect to the sale of a principal residence.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1997

Mr. PACKARD (for himself, Mrs. KENNELLY of Connecticut, Mr. PAPPAS, Mr. FOLEY, Mr. BAKER, Mr. BARCIA, Mr. FILNER, Mrs. KELLY, Mr. McKEON, Mr. SENSENBRENNER, Mr. SHAYS, and Mr. WELDON of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to allow a capital loss deduction with respect to the sale of a principal residence.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. CAPITAL LOSS DEDUCTION ALLOWED WITH RE-**  
4                               **SPECT TO SALE OR EXCHANGE OF PRINCIPAL**  
5                               **RESIDENCE.**

6       (a) IN GENERAL.—Section 165(c) (relating to limita-  
7       tion on losses of individuals) is amended by striking “and”  
8       at the end of paragraph (2), by striking the period at the

1 end of paragraph (3) and inserting “; and”, and by adding  
2 at the end the following:

3 “(4) losses arising from the sale or exchange of  
4 the principal residence (within the meaning of sec-  
5 tion 1034) of the taxpayer.”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 subsection (a) shall apply to sales and exchanges after De-  
8 cember 31, 1996, in taxable years ending after such date.

○